

NONMAJOR ENTERPRISE FUNDS

Augusta, Georgia
Combining Statement of Net Assets
Nonmajor Enterprise Funds
December 31, 2003

	Waste Management	Municipal Golf Course	Transit
Assets			
Current assets			
Cash and temporary investments	\$ 10,723,113	\$ 179	\$ 150
Receivables			
Taxes	-	-	-
Accounts	453,630	-	419
Interest	-	-	-
Intergovernmental	-	-	881,359
Inventory	-	8,840	219,822
Due from other funds	-	-	-
Total current assets	<u>11,176,743</u>	<u>9,019</u>	<u>1,101,750</u>
Noncurrent assets			
Capital assets, net	<u>3,285,931</u>	<u>1,551,275</u>	<u>3,619,972</u>
Total noncurrent assets	<u>3,285,931</u>	<u>1,551,275</u>	<u>3,619,972</u>
Total assets	<u>\$ 14,462,674</u>	<u>\$ 1,560,294</u>	<u>\$ 4,721,722</u>
Liabilities			
Current liabilities			
Accounts payable	\$ 53,726	\$ 11,657	\$ 31,787
Due to other funds	-	87,883	2,537,788
Accrued salaries and vacation	77,392	18,750	188,648
Other accrued liabilities	161,476	144	-
Current portion of leases payable	49,057	-	-
Deferred revenue	-	650	-
Total current liabilities	<u>341,651</u>	<u>119,084</u>	<u>2,758,223</u>
Noncurrent liabilities			
Closure/postclosure accrual	11,800,706	-	-
Capital leases	49,057	-	-
Total noncurrent liabilities	<u>11,849,763</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>12,191,414</u>	<u>119,084</u>	<u>2,758,223</u>
Net assets			
Invested in capital assets, net of related debt	3,187,817	1,551,275	3,619,972
Unrestricted	(916,557)	(110,065)	(1,656,473)
Total net assets	<u>\$2,271,260</u>	<u>\$1,441,210</u>	<u>\$1,963,499</u>

Daniel Field Airport	Newman Tennis Center	Garbage Collection	Riverwalk	Total Nonmajor Enterprise Funds
\$ 343,998	\$ 200	\$ -	\$ 50,995	\$ 11,118,635
-	-	632,531	-	632,531
-	-	-	-	454,049
1,312	-	-	-	1,312
-	-	-	-	881,359
-	9,786	-	-	238,448
-	-	72,710	-	72,710
345,310	9,986	705,241	50,995	13,399,044
1,251,473	-	-	-	9,708,651
1,251,473	-	-	-	9,708,651
\$ 1,596,783	\$ 9,986	\$ 705,241	\$ 50,995	\$ 23,107,695
\$ 23,327	\$ 3,775	\$ 608,632	\$ 8,859	\$ 741,763
15,737	200,443	696,683	-	3,538,534
-	6,128	8,207	6,423	305,548
-	1,287	-	-	162,907
-	-	-	-	49,057
-	-	-	-	650
39,064	211,633	1,313,522	15,282	4,798,459
-	-	-	-	11,800,706
-	-	-	-	49,057
-	-	-	-	11,849,763
39,064	211,633	1,313,522	15,282	16,648,222
1,251,473	-	-	-	9,610,537
306,246	(201,647)	(608,281)	35,713	(3,151,064)
\$1,557,719	(\$201,647)	(\$608,281)	\$35,713	\$6,459,473

Augusta, Georgia

**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Nonmajor Enterprise Funds
Year Ended December 31, 2003**

	Waste Management	Municipal Golf Course	Transit
Operating revenues			
Charges and fees	\$ 4,943,777	\$ 645,525	\$ 722,803
Total operating revenues	<u>4,943,777</u>	<u>645,525</u>	<u>722,803</u>
Operating expenses			
Personal services and employee benefits	917,291	260,728	2,666,136
Purchased/contracted services	792,243	43,050	81,708
Supplies	290,164	178,511	355,181
Repairs and maintenance	183,423	35,849	172,216
Interfund/interdepartmental charges	509,151	60,190	190,298
Other costs	162,212	-	-
Depreciation	1,068,939	44,831	523,769
Closure/postclosure accrual	817,227	-	-
Total operating expenses	<u>4,740,650</u>	<u>623,159</u>	<u>3,989,308</u>
Operating income (loss)	<u>203,127</u>	<u>22,366</u>	<u>(3,266,505)</u>
Nonoperating revenue (expense)			
Interest revenue	111,458	-	-
Sale of property	3,150	-	900
Other revenue (expense)	-	3,219	26,086
Intergovernmental	35,256	-	1,159,188
Interest expense	-	(25,900)	(22,010)
Total nonoperating revenue (expense)	<u>149,864</u>	<u>(22,681)</u>	<u>1,164,164</u>
Income (loss) before transfers	352,991	(315)	(2,102,341)
Transfers in	-	60,000	1,319,270
Change in net assets	<u>352,991</u>	<u>59,685</u>	<u>(783,071)</u>
Total net assets - beginning	2,350,093	1,323,873	3,363,032
Prior period adjustment	<u>(431,824)</u>	<u>57,652</u>	<u>(616,462)</u>
Total net assets - beginning, as restated	<u>1,918,269</u>	<u>1,381,525</u>	<u>2,746,570</u>
Total net assets - ending	<u>\$ 2,271,260</u>	<u>\$ 1,441,210</u>	<u>\$ 1,963,499</u>

Daniel Field Airport	Newman Tennis Center	Garbage Collection	Riverwalk	Total
\$ 89,750	\$ 218,386	\$ 6,644,314	\$ 58,830	\$ 13,323,385
89,750	218,386	6,644,314	58,830	13,323,385
21,428	104,888	93,088	72,597	4,136,156
15,762	106,564	10,188,972	60,748	11,289,047
6,410	80,072	10,206	116,963	1,037,507
16,860	4,229	-	510	413,087
7,186	6,695	100,000	-	873,520
-	-	612,000	-	774,212
66,606	-	-	-	1,704,145
-	-	-	-	817,227
134,252	302,448	11,004,266	250,818	21,044,901
(44,502)	(84,062)	(4,359,952)	(191,988)	(7,721,516)
4,804	-	-	487	116,749
-	-	-	-	4,050
900	500	-	-	30,705
272,603	7,136	-	-	1,474,183
-	(2,173)	(26,429)	-	(76,512)
278,307	5,463	(26,429)	487	1,549,175
233,805	(78,599)	(4,386,381)	(191,501)	(6,172,341)
50,000	53,830	3,127,550	218,240	4,828,890
283,805	(24,769)	(1,258,831)	26,739	(1,343,451)
1,094,882	(176,878)	650,550	8,974	8,614,526
179,032	-	-	-	(811,602)
1,273,914	(176,878)	650,550	8,974	7,802,924
\$ 1,557,719	\$ (201,647)	\$ (608,281)	\$ 35,713	\$ 6,459,473

Augusta, Georgia

**Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended December 31, 2003**

	<u>Waste Management</u>	<u>Municipal Golf Course</u>	<u>Transit</u>
Operating activities			
Cash received from customers	\$ 5,413,460	\$ 645,525	\$ 722,384
Cash paid to suppliers	(1,416,967)	(267,678)	(643,970)
Cash paid to employees	(902,399)	(255,977)	(2,641,045)
Cash paid for interfund services used	(509,151)	(155,074)	1,117,193
Net cash provided by (used in) operating activities	<u>2,584,943</u>	<u>(33,204)</u>	<u>(1,445,438)</u>
Noncapital financing activities			
Transfers in	-	60,000	1,319,270
Operating grants	-	-	97,719
Interest expense on operating capital	-	-	(22,010)
Net cash provided by noncapital financing activities	<u>-</u>	<u>60,000</u>	<u>1,394,979</u>
Capital and related financing activities			
Proceeds from grants	35,256		271,776
Proceeds from sale of property	3,150	-	900
Other miscellaneous income		3,219	26,086
Purchase of capital assets	(251,921)	(4,115)	(249,303)
Interest paid on capital debt	-	(25,900)	-
Net cash provided (used) by capital and related financing activities	<u>(213,515)</u>	<u>(26,796)</u>	<u>49,459</u>
Investing activities			
Interest received	<u>111,458</u>	<u>-</u>	<u>-</u>
Net cash provided by investing activities	<u>111,458</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents/investments	<u>2,482,886</u>	<u>-</u>	<u>(1,000)</u>
Cash and cash equivalents/investments			
Beginning of year	<u>8,240,227</u>	<u>179</u>	<u>1,150</u>
End of year	<u><u>\$ 10,723,113</u></u>	<u><u>\$ 179</u></u>	<u><u>\$ 150</u></u>

Daniel Field Airport	Newman Tennis Center	Garbage Collection	Riverwalk	Total Nonmajor Enterprise Funds
\$ 89,750	\$ 218,386	\$ 7,286,470	\$ 58,830	\$ 14,434,805
(157,713)	(166,730)	(10,202,710)	(174,686)	(13,030,454)
(25,944)	(104,254)	(84,881)	(72,356)	(4,086,856)
(7,186)	(6,695)	(100,000)	-	339,087
(101,093)	(59,293)	(3,101,121)	(188,212)	(2,343,418)
50,000	53,830	3,127,550	218,240	4,828,890
-	-	-	-	97,719
-	(2,173)	(26,429)	-	(50,612)
50,000	51,657	3,101,121	218,240	4,875,997
272,603	7,136	-	-	586,771
-	-	-	-	4,050
900	500	-	-	30,705
(257,440)	-	-	-	(762,779)
-	-	-	-	(25,900)
16,063	7,636	-	-	(167,153)
5,140	-	-	487	117,085
5,140	-	-	487	117,085
(29,890)	-	-	30,515	2,482,511
373,888	200	-	20,480	8,636,124
\$ 343,998	\$ 200	\$ -	\$ 50,995	\$ 11,118,635

Augusta, Georgia
Combining Statement of Cash Flows - Continued
Nonmajor Enterprise Funds
Year Ended December 31, 2003

	<u>Waste Management</u>	<u>Municipal Golf Course</u>	<u>Transit</u>
Reconciliation of operating income (loss)			
to net cash provided by			
(used in) operating activities			
Operating income (loss)	\$ 203,127	\$ 22,366	\$ (3,266,505)
Adjustments to reconcile operating income (loss)			
to net cash provided by (used in) operating			
activities:			
Depreciation	1,068,939	44,831	523,769
Closure/post closure costs	817,227	-	-
Change in assets and liabilities			
Accounts receivable	577,579	-	(419)
Due from other funds	-	-	-
Taxes receivable	-	-	-
Inventory	-	2,310	(43,323)
Accounts payable	(55,728)	(11,149)	8,458
Accrued salaries and vacation	14,892	4,751	25,091
Other accrued liabilities	(41,093)	(2,079)	-
Due to other funds	-	(94,884)	1,307,491
Unearned revenue	-	650	-
Total adjustments	<u>2,381,816</u>	<u>(55,570)</u>	<u>1,821,067</u>
Net cash provided by (used in) operating activities	<u>\$ 2,584,943</u>	<u>\$ (33,204)</u>	<u>\$ (1,445,438)</u>

Noncash investing, capital, and financing activities:

Daniel Field Airport	Newman Tennis Center	Garbage Collection	Riverwalk	Total Nonmajor Enterprise Funds
\$ (44,502)	\$ (84,062)	\$ (4,359,952)	\$ (191,988)	(7,721,516)
66,606	-	-	-	1,704,145
-	-	-	-	817,227
-	-	1,726,476	-	2,303,636
-	-	160,211	-	160,211
-	-	(632,531)	-	(632,531)
-	7,000	-	-	(34,013)
33,615	(338)	(65,654)	3,535	(87,261)
(4,516)	634	8,207	241	49,300
-	1,287	-	-	(41,885)
(152,296)	16,186	62,122	-	1,138,619
-	-	-	-	650
<u>(56,591)</u>	<u>24,769</u>	<u>1,258,831</u>	<u>3,776</u>	<u>5,378,098</u>
<u>\$ (101,093)</u>	<u>\$ (59,293)</u>	<u>\$ (3,101,121)</u>	<u>\$ (188,212)</u>	<u>\$ (2,343,418)</u>

INTERNAL SERVICE FUNDS

Augusta, Georgia
Combining Statement of Net Assets
Internal Service Funds
December 31, 2003

	<u>Risk Management</u>	<u>Fleet Operations</u>	<u>Workers Compensation</u>
Assets			
Current assets			
Cash and temporary investments	\$ 744,236	\$ -	\$ 137,340
Accounts receivable	-	-	-
Total current assets	<u>744,236</u>	<u>-</u>	<u>137,340</u>
Noncurrent assets			
Restricted investments	-	-	-
Capital assets, net	28,713	211,629	-
Total noncurrent assets	<u>28,713</u>	<u>211,629</u>	<u>-</u>
Total assets	<u>\$ 772,949</u>	<u>\$ 211,629</u>	<u>\$ 137,340</u>
Liabilities			
Current liabilities			
Accounts payable	\$ 184,704	\$ 327,656	\$ 133,372
Due to other funds	-	231,051	-
Accrued salaries and vacation	24,187	12,113	-
Total current liabilities	<u>208,891</u>	<u>570,820</u>	<u>133,372</u>
Noncurrent liabilities			
Revenue bonds payable	-	-	-
Notes payable	-	-	-
Capital leases	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>208,891</u>	<u>570,820</u>	<u>133,372</u>
Net assets			
Invested in capital assets, net of related debt	28,713	211,629	-
Restricted	-	-	-
Unrestricted	535,345	(570,820)	3,968
Total net assets	<u>\$564,058</u>	<u>(\$359,191)</u>	<u>\$3,968</u>

<u>Employee Health Benefits</u>	<u>Unemployment</u>	<u>Long-term Disability Insurance</u>	<u>GMA Leases</u>	<u>Total</u>
\$ -	\$ 63,233	\$ 15,657	\$ -	\$ 960,466
-	-	-	3,068,652	3,068,652
-	63,233	15,657	3,068,652	4,029,118
-	-	-	13,098,945	13,098,945
-	-	-	-	240,342
-	-	-	13,098,945	13,339,287
\$ -	\$ 63,233	\$ 15,657	\$ 16,167,597	\$ 17,368,405
\$ 55	\$ 63,115	\$ -	\$ 119,572	\$ 828,474
62,116	-	-	140,284	433,451
-	-	-	-	36,300
62,171	63,115	-	259,856	1,298,225
-	-	-	15,989,693	15,989,693
-	-	-	-	-
-	-	-	-	-
-	-	-	15,989,693	15,989,693
62,171	63,115	-	16,249,549	17,287,918
-	-	-	-	240,342
-	-	-	-	-
(62,171)	118	15,657	(81,952)	(159,855)
(\$62,171)	\$118	\$15,657	(\$81,952)	\$80,487

Augusta, Georgia

**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Funds
Year Ended December 31, 2003**

	Risk Management	Fleet Operations	Workers Compensation
Operating revenues			
Charges and fees	\$ 1,665,137	\$ 3,526,565	\$ 1,635,522
Total operating revenues	<u>1,665,137</u>	<u>3,526,565</u>	<u>1,635,522</u>
Operating expenses			
Personal services and employee benefits	286,456	105,267	-
Purchased/contracted services	346,611	26,955	-
Supplies	191,939	140,442	-
Repairs and maintenance	-	3,685,194	-
Interfund/interdepartmental charges	-	-	379
Other costs	3,869	94,918	-
Depreciation	19,697	76,918	-
Lease expense	-	6,200	-
Risk benefit charges	942,285	-	-
Insurance	-	-	1,630,967
Total operating expenses	<u>1,790,857</u>	<u>4,135,894</u>	<u>1,631,346</u>
Operating income (loss)	<u>(125,720)</u>	<u>(609,329)</u>	<u>4,176</u>
Nonoperating revenue (expense)			
Interest revenue	5,721	3,499	-
Sale of property	-	300	-
Other revenue (expense)	145,035	2,257	-
Interest expense	-	-	(4,173)
Total nonoperating revenue (expense)	<u>150,756</u>	<u>6,056</u>	<u>(4,173)</u>
Income (loss) before transfers	25,036	(603,273)	3
Transfers in (out)	-	-	-
Transfers out	-	-	-
Change in net assets	25,036	(603,273)	3
Total net assets - beginning	564,245	(44,464)	3,965
Prior period adjustment	<u>(25,223)</u>	<u>288,546</u>	<u>-</u>
Total net assets - beginning, as restated	<u>539,022</u>	<u>244,082</u>	<u>3,965</u>
Total net assets - ending	<u>\$ 564,058</u>	<u>\$ (359,191)</u>	<u>\$ 3,968</u>

Employee Health Benefits	Unemployment	Long-term Disability Insurance	GMA Leases	Total
\$ 14,076,485	\$ -	\$ 192,932	\$ 3,268,818	\$ 24,365,459
14,076,485	-	192,932	3,268,818	24,365,459
-	-	-	-	391,723
42,158	-	-	-	415,724
-	-	-	-	332,381
-	-	-	-	3,685,194
-	-	-	-	379
-	-	-	-	98,787
-	-	-	-	96,615
-	-	-	3,268,820	3,275,020
-	-	-	-	942,285
13,905,757	182,288	177,182	-	15,896,194
13,947,915	182,288	177,182	3,268,820	25,134,302
128,570	(182,288)	15,750	(2)	(768,843)
-	-	-	341,378	350,598
-	-	-	-	300
-	-	-	-	147,292
(6,268)	-	(73)	(331,555)	(342,069)
(6,268)	-	(73)	9,823	156,121
122,302	(182,288)	15,677	9,821	(612,722)
-	182,288	-	-	182,288
(182,288)	-	-	-	(182,288)
(59,986)	-	15,677	9,821	(612,722)
(2,185)	118	(20)	(91,773)	429,886
-	-	-	-	263,323
(2,185)	118	(20)	(91,773)	693,209
\$ (62,171)	\$ 118	\$ 15,657	\$ (81,952)	\$ 80,487

Augusta, Georgia
Combining Statement of Cash Flows
Internal Service Funds
Year Ended December 31, 2003

	Risk Management	Fleet Operations	Workers Compensation
Operating activities			
Cash received from contributions	\$ 1,665,137	\$ 3,757,616	\$ 1,635,522
Cash paid to suppliers	(1,435,390)	(4,258,496)	(1,586,003)
Cash paid to employees	(283,579)	(103,496)	-
Cash paid for interfund services used	-	-	(379)
Net cash provided by (used in) operating activities	(53,832)	(604,376)	49,140
Noncapital financing activities			
Transfers in (out)	-	-	-
Interest expense on operating capital	-	-	(4,173)
Other revenue	145,035	2,257	-
Net cash provided (used) by noncapital financing activities	145,035	2,257	(4,173)
Capital and related financing activities			
Proceeds from sale of property	-	299	-
Purchase of capital assets	1	-	-
Interest paid on capital debt	-	-	-
Net cash provided (used) by capital and related financing activities	1	299	-
Investing activities			
Interest received	5,721	3,499	-
Net cash provided by investing activities	5,721	3,499	-
Net increase (decrease) in cash and cash equivalents	96,925	(598,321)	44,967
Cash and cash equivalents/investments			
Beginning of year	647,311	598,321	92,373
End of year	\$ 744,236	\$ -	\$ 137,340

Employee Health Benefits	Unemployment	Long-term Disability Insurance	GMA Leases	Total Internal Service Funds
\$ 14,138,601 (13,950,870) - -	\$ - (119,173) - -	\$ 192,912 (177,182) - -	\$ 828,859 50,748 - -	\$ 22,218,647 (21,476,366) (387,075) (379)
187,731	(119,173)	15,730	879,607	354,827
(182,288) (6,268) -	182,288 - -	- (73) -	3,268,818 - -	3,268,818 (10,514) 147,292
(188,556)	182,288	(73)	3,268,818	3,405,596
-	-	-	-	299
-	-	-	-	1
-	-	-	(3,555,460)	(3,555,460)
-	-	-	(3,555,460)	(3,555,160)
-	-	-	341,378	350,598
-	-	-	341,378	350,598
(825)	63,115	15,657	934,343	555,861
825	118	-	12,164,602	13,503,550
\$ -	\$ 63,233	\$ 15,657	\$ 13,098,945	\$ 14,059,411

Augusta, Georgia
Combining Statement of Cash Flows - Continued
Internal Service Funds
Year Ended December 31, 2003

	<u>Risk Management</u>	<u>Fleet Operations</u>	<u>Workers Compensation</u>
Reconciliation of operating income (loss)			
to net cash provided by			
(used in) operating activities			
Operating income (loss)	\$ (125,720)	\$ (609,329)	\$ 4,176
Adjustments to reconcile operating income (loss)			
to net cash provided by (used in) operating			
activities:			
Depreciation	19,697	76,918	-
Change in assets and liabilities:			
Accounts receivable	-	-	-
Accounts payable	49,314	(304,787)	44,964
Accrued salaries and vacation	2,877	1,771	-
Due to other funds	-	231,051	-
Total adjustments	<u>71,888</u>	<u>4,953</u>	<u>44,964</u>
 Net cash provided by (used in) operating activities	 <u><u>\$ (53,832)</u></u>	 <u><u>\$ (604,376)</u></u>	 <u><u>\$ 49,140</u></u>

<u>Employee Health Benefits</u>	<u>Unemployment</u>	<u>Long-term Disability Insurance</u>	<u>GMA Leases</u>	<u>Total Internal Service Funds</u>
\$ 128,570	\$ (182,288)	\$ 15,750	\$ (2)	\$ (768,843)
-	-	-	-	96,615
-	-	-	1,212,886	1,212,886
(2,955)	63,115	-	50,748	(99,601)
-	-	-	-	4,648
62,116	-	(20)	(384,025)	(90,878)
<u>59,161</u>	<u>63,115</u>	<u>(20)</u>	<u>879,609</u>	<u>1,123,670</u>
<u>\$ 187,731</u>	<u>\$ (119,173)</u>	<u>\$ 15,730</u>	<u>\$ 879,607</u>	<u>\$ 354,827</u>

FIDUCIARY FUNDS

PENSION TRUST FUNDS

Augusta, Georgia
Combining Statement of Fiduciary Net Assets
Pension Trust Funds
December 31, 2003

	1945 Plan	1977 Plan	General Retirement	Total
Assets				
Cash and cash equivalents	\$ 1,004,284	\$ 1,823,993	\$ 1,535,444	\$ 4,363,721
Investments				
U.S. Government securities	1,593,980	3,249,645	15,681,261	20,524,886
Corporate bonds	2,268,616	3,140,379	11,629,740	17,038,735
Equity securities	4,896,223	7,997,290	34,498,278	47,391,791
Real estate	-	-	1,700,000	1,700,000
Receivables (net of allowance for doubtful accounts)				
Interest	64,568	107,510	478,975	651,053
Due from other funds	100,000	-	-	100,000
Total assets	<u>9,927,671</u>	<u>16,318,817</u>	<u>65,523,698</u>	<u>91,770,186</u>
Liabilities				
Accounts payable	1,780	1,129	6,258	9,167
Due to other funds	-	-	370,525	370,525
Total liabilities	<u>1,780</u>	<u>1,129</u>	<u>376,783</u>	<u>379,692</u>
Net assets				
Reserved for employees' retirement benefits	<u>\$ 9,925,891</u>	<u>\$ 16,317,688</u>	<u>\$ 65,146,915</u>	<u>\$ 91,390,494</u>

Augusta, Georgia
Combining Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
Year Ended December 31, 2003

	1945 Plan	1977 Plan	General Retirement	Total
Additions				
Contributions	\$ 10,290	\$ 1,727,763	\$ 364,431	\$ 2,102,484
Net investment income	1,163,582	1,820,968	8,164,078	11,148,628
Transfers in	-	-	1,305,030	1,305,030
Total additions	<u>1,173,872</u>	<u>3,548,731</u>	<u>9,833,539</u>	<u>14,556,142</u>
Deductions				
Administration	68,213	153,011	369,361	590,585
Benefit payments	895,848	608,313	4,344,211	5,848,372
Refunds	-	192,799	32,514	225,313
Total deductions	<u>964,061</u>	<u>954,123</u>	<u>4,746,086</u>	<u>6,664,270</u>
Change in net assets	209,811	2,594,608	5,087,453	7,891,872
Total net assets - beginning	<u>9,716,080</u>	<u>13,723,080</u>	<u>60,059,462</u>	<u>83,498,622</u>
Total net assets - ending	<u>\$ 9,925,891</u>	<u>\$ 16,317,688</u>	<u>\$ 65,146,915</u>	<u>\$ 91,390,494</u>

AGENCY FUNDS

Augusta, Georgia
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
December 31, 2003

	<u>January 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>December 31, 2003</u>
<u>Tax Commisioner</u>				
Assets				
Cash and cash equivalents	\$ 9,342,951	\$ 130,229,938	\$ 136,727,487	\$ 2,845,402
Receivables (net of allowance for doubtful accounts)				
Taxes	31,508,116	123,529,758	130,229,938	24,807,936
Total assets	<u>\$ 40,851,067</u>	<u>\$ 253,759,696</u>	<u>\$ 266,957,425</u>	<u>\$ 27,653,338</u>
Liabilities				
Due to others	\$ 6,003,448	\$ 79,614,227	\$ 83,558,106	\$ 2,059,569
Due to other funds	3,339,503	50,615,711	53,169,381	785,833
Uncollected taxes	31,508,116	123,529,758	130,229,938	24,807,936
Total liabilities	<u>\$ 40,851,067</u>	<u>\$ 253,759,696</u>	<u>\$ 266,957,425</u>	<u>\$ 27,653,338</u>
<u>Probate</u>				
Assets				
Cash and cash equivalents	\$ 6,333	\$ 265,956	\$ 266,369	\$ 5,920
Total assets	<u>\$ 6,333</u>	<u>\$ 265,956</u>	<u>\$ 266,369</u>	<u>\$ 5,920</u>
Liabilities				
Due to others	\$ 5,583	\$ 77,271	\$ 77,750	\$ 5,104
Due to other funds	750	188,685	188,619	816
Total liabilities	<u>\$ 6,333</u>	<u>\$ 265,956</u>	<u>\$ 266,369</u>	<u>\$ 5,920</u>
<u>Sheriff</u>				
Assets				
Cash and cash equivalents	\$ 1,067,662	\$ 2,717,856	\$ 2,496,315	\$ 1,289,203
Total assets	<u>\$ 1,067,662</u>	<u>\$ 2,717,856</u>	<u>\$ 2,496,315</u>	<u>\$ 1,289,203</u>
Liabilities				
Due to others	1,067,662	2,717,856	2,496,315	1,289,203
Total liabilities	<u>\$ 1,067,662</u>	<u>\$ 2,717,856</u>	<u>\$ 2,496,315</u>	<u>\$ 1,289,203</u>
<u>Civil Court</u>				
Assets				
Cash and cash equivalents	\$ 310,254	\$ 2,561,281	\$ 2,425,867	\$ 445,668
Total assets	<u>\$ 310,254</u>	<u>\$ 2,561,281</u>	<u>\$ 2,425,867</u>	<u>\$ 445,668</u>
Liabilities				
Due to others	\$ 305,900	\$ 2,527,020	\$ 2,387,900	\$ 445,020
Due to other funds	4,354	34,261	37,967	648
Total liabilities	<u>\$ 310,254</u>	<u>\$ 2,561,281</u>	<u>\$ 2,425,867</u>	<u>\$ 445,668</u>

Augusta, Georgia
Combining Statement of Changes in Fiduciary Assets and Liabilities - Continued
Agency Funds
December 31, 2003

	<u>January 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>December 31, 2003</u>
<u>Clerk of Court</u>				
Assets				
Cash and cash equivalents	\$ 2,393,551	\$ 13,459,997	\$ 12,800,213	\$ 3,053,335
Total assets	<u>\$ 2,393,551</u>	<u>\$ 13,459,997</u>	<u>\$ 12,800,213</u>	<u>\$ 3,053,335</u>
Liabilities				
Due to others	\$ 1,837,514	\$ 5,851,052	\$ 5,214,570	\$ 2,473,996
Due to other funds	556,037	7,608,945	7,585,643	579,339
Total liabilities	<u>\$ 2,393,551</u>	<u>\$ 13,459,997</u>	<u>\$ 12,800,213</u>	<u>\$ 3,053,335</u>
<u>TOTAL ALL AGENCY FUNDS:</u>				
Assets				
Cash and cash equivalents	\$ 13,120,751	\$ 149,235,028	\$ 154,716,251	\$ 7,639,528
Receivables (net of allowance for doubtful accounts)				
Taxes	31,508,116	123,529,758	130,229,938	24,807,936
Total assets	<u>\$ 44,628,867</u>	<u>\$ 272,764,786</u>	<u>\$ 284,946,189</u>	<u>\$ 32,447,464</u>
Liabilities				
Due to others	\$ 9,220,107	\$ 90,787,426	\$ 93,734,641	\$ 6,272,892
Due to other funds	3,900,644	58,447,602	60,981,610	1,366,636
Uncollected taxes	31,508,116	123,529,758	130,229,938	24,807,936
Total liabilities	<u>\$ 44,628,867</u>	<u>\$ 272,764,786</u>	<u>\$ 284,946,189</u>	<u>\$ 32,447,464</u>

COMPLIANCE SECTION

AUGUSTA, GEORGIA

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2003

Federal Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
Direct Programs			
Community Development Block Grant	14.218	B-03-MC-13-0003	\$ 2,582,809
Emergency Shelter Grant	14.231	S-03-MC-13-0004	122,748
HOME Investment Partnerships Program	14.239	M-03-MC-13-0206	843,756
Supporting Housing Program	14.235	GA01B104-002	62,696
Neighborhood Initiative Program	14.246	B-02-NI-GA-AU-0002	74,183
Total U.S. Department of Housing and Urban Development			<u>3,686,192</u>
<u>U.S. Department of Justice</u>			
Direct Programs			
Juvenile Accountability Incentive Block Grant	16.523	01B-FM-0003	18,279
	16.523	02B-FM-0006	9,155
			<u>27,434</u>
Purchase of Services for Juvenile Offenders Program	16.523	02-B-ST-0002	10,116
	16.523	02B-FM-0006	1,560
			<u>11,676</u>
Local Law Enforcement Block Grant	16.592		<u>2,910</u>
Pass-through from the Office of the Governor			
Criminal Justice Coordinating Council			
Drug Control and System Improvement			
Victim Assistance Grants	16.575	01-VA-GX-0013	32,622
	16.575	2003-VA-GX-0002	10,689
	16.575	C-01-8-145	22,050
	16.575	C-03-8-008	7,640
			<u>73,001</u>
Formula Grants	16.579	B01-8-004	23,745
	16.579	B02-8-006	38,492
			<u>62,237</u>
Children and Youth Coordinating Council Grant	15.540	00J-02-0103-0006	23,019
	15.540	J02030012	8,250
			<u>31,269</u>
Executive Office for Weed & Seed	16.595	01-WS-QX-0124	217,306
Total U.S. Department of Justice			<u>422,923</u>
<u>U.S. Department of Transportation</u>			
Direct Programs			
Urban Mass Transportation Capital and Operating			
Assistance Grants	20.507	GA-90-X122	93
	20.507	GA-90-X129	10,789
	21.507	GA-90-X153	23,481
	21.507	GA-90-X166	209,536
	21.507	GA-90-XXX	769,607
	20.106	3-13-0011-22	7,353
			<u>1,020,859</u>

AUGUSTA, GEORGIA

Schedule of Expenditures of Federal Awards - Continued

Year Ended December 31, 2003

Federal Grantor / Pass-through Grantor / Program Title	Federal FDA Number	Agency or Pass-through Number	Federal Expenditures
<u>U.S. Department of Transportation</u>			
Direct Programs			
Federal Aviation Administration			
Airport Improvement Program Grants	20.106	3-13-0011-23	31,899
	20.106	3-13-0011-24	476,942
	20.106	3-13-0011-25	423,295
	20.106	3-13-0011-26	296,925
	20.106	3-13-0012-08	123,050
	20.106	3-13-0012-09	130,393
			<u>1,482,504</u>
Grant In Aid Security Requirements After September 11, 2001	N/A	DTSA20-03-P-50411	<u>502,190</u>
Small Community Air Service Development Pilot Program	20.XXX	SCASDPP 11590-183	<u>112,743</u>
Total U.S. Department of Transportation			<u>3,118,296</u>
<u>U.S. Department of Homeland Security</u>			
Direct Programs			
Reimbursable Agreement Security Requirements After September 11, 2001	N/A	HSTS01-04-A-LEF003	<u>17,154</u>
<u>U.S. Environmental Protection Agency</u>			
Direct Programs			
Brownfield Pilots Cooperative Agreements	66.811	BP984866-99-0	<u>71,145</u>
<u>Emergency Management Agency</u>			
Pass-through from the Georgia Emergency Management Agency			
Hazard Mitigation Grant	83.548	1311-0001	483,243
Flood Mitigation Assistance Program	83.536	FLA-PL-04GA-2000001	21,200
Local Emergency Operation Plan	53.562	EMA-202-GR-5072	7,129
Total Emergency Management Agency			<u>511,572</u>
<u>U.S. Department of Interior</u>			
Historic Preservation Fund Grant-in-Aid Program	15.904	13-03-18210-01	<u>5,472</u>
<u>U.S. Department of Defense</u>			
Military Surplus Program	N/A	N/A	<u>63,000</u>
Total			\$ <u>7,898,663</u>

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

AUGUSTA, GEORGIA

Notes to the Schedule of Expenditures of Federal Awards

Year Ended December 31, 2003

Note 1 - Basis of presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Augusta, Georgia, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 – Reporting entity

The accompanying schedule of expenditures of federal awards includes the accounts of all Augusta and Richmond County operations. The Government uses the criteria for including organizations as component units within Augusta's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*. Excluded from the accompanying schedule of federal awards is the Government's discretely presented component unit, Richmond County Department of Health. Separate financial statements may be obtained from the Richmond County Department of Health at 950 Laney Walker Blvd., Augusta, Georgia 30901.

Note 3 - Non-cash awards

Augusta, Georgia received non-cash federal awards of surplus military equipment totaling \$63,000 during the year ended December 31, 2003.

AUGUSTA, GEORGIA

Summary Schedule of Prior Audit Findings

Year Ended December 31, 2003

Finding 00-1 (repeat finding)

U.S. Department of Justice CFDA 16.592; Local Law Enforcement Block Grant

Criteria

The Grant Award Letter Special Conditions number 8, "the recipient agrees to establish a trust fund in which all payments received under this program, including match, must be deposited. For purposes of this grant, a trust fund is an interest-bearing account that is specifically designated for this program..."

Condition noted

Augusta, Georgia did not establish a specifically designated trust fund for receipts under this program. Receipts were deposited in the pooled cash account of Augusta, Georgia and were initially recorded as receipts on the trial balance of another fund.

Recommendation

Augusta, Georgia should set up a separate interest-bearing account for Local Law Enforcement Block Grant receipts, transfer in unexpended grant balances to this account and notify the Department of Justice to, in the future, wire advances to this account for Local Law Enforcement Block Grant funds only.

Current Status

Repeat finding this fiscal year.

Finding 01-1

U.S. Department of Housing and Urban Development – CFDA 14.239; HOME Investment Partnership Program.

Criteria

24CFR Section 92.508(a)(2)(ix) requires a report on match contributions made, using a separate HOME Match Report, HUD-4107-A, for the period covered by the Consolidated Plan Program Year, and must comply with those provisions to indicate resources from private and non-Federal sources. The applicable regulations for this standard are 92.220, 91.220(b)(2), 91.320(b)(2), 91.320(b)(2), and 91.420(b).

AUGUSTA, GEORGIA

Summary Schedule of Prior Audit Findings - Continued

Year Ended December 31, 2003

Condition noted

The 2001 CAPER (Consolidated Annual Performance and Evaluation Report) did not provide evidence of the Augusta-Richmond County's compliance with the match requirements under HOME, as required in the regulation.

Recommendation

The City's Housing and Neighborhood Development Office should develop a financial reporting system that tracks match obligations and match contributions to ensure that the match requirements will be met by the end of the respective program year.

Current Status

Corrected during this fiscal year.

Finding 02-1

Internal control over compliance with federal awards.

U.S. Department of Housing and Urban Development -- CFDA 14.239; HOME Investment Partnership Program.

Criteria

24CFR Section 92.508 requires each participating jurisdiction to establish and maintain sufficient records to enable HUD or their agents to determine whether the participating jurisdiction has met the requirement of Program Administration.

Condition noted

Internal control over record keeping for the HOME Investment Partnership Program was not adequate to ensure that accurate information is accessible to those who need it. There was no evidence that the HOME Program Director established a record keeping system to ensure that accounting records and documentation were retained for the time period required by applicable requirements of the A-102 common rule.

Recommendation

The City's Housing and Neighborhood Development Office should establish formal internal controls that ensure maintenance, review, and reconciliation of program and project records on a contemporaneous basis with the expenditure of federal funds associated with the program and projects.

Current Status

Corrected during this fiscal year.



**Report on Compliance and on Internal Control over Financial
Reporting Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

Augusta-Richmond County Commission
Augusta, Georgia

We have audited the financial statements of Augusta, Georgia as of and for the year ended December 31, 2003, and have issued our report thereon dated May 21, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Augusta, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 03-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Augusta, Georgia's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of Augusta, Georgia in a separate letter dated May 21, 2004.

This report is intended solely for the information and use of the finance committee, management, the Augusta-Richmond County Commission, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cherry, Bekaert & Holland, L.L.P.

Augusta, Georgia
May 21, 2004



**Report on Compliance with Requirements Applicable to Each Major
Program and Internal Control Over Compliance in
Accordance with OMB Circular A-133**

Augusta-Richmond County Commission
Augusta, Georgia

Compliance

We have audited the compliance of Augusta, Georgia with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2003. Augusta, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Augusta, Georgia's management. Our responsibility is to express an opinion on Augusta, Georgia's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Augusta, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Augusta, Georgia's compliance with those requirements.

In our opinion, Augusta, Georgia complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2003. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questions costs as items 00-1 and 03-2.

Internal Control Over Compliance

The management of Augusta, Georgia is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Augusta, Georgia's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted no matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect Augusta, Georgia's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts and grants that would be material relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.

This report is intended solely for the information and use of management, the Augusta-Richmond County Commission, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cherry, Behant & Holland, L.L.P.

Augusta, Georgia
May 21, 2004

AUGUSTA, GEORGIA

Schedule of Findings and Questioned Costs

Year Ended December 31, 2003

I. Summary of the Auditor's Results

The auditor's report expresses unqualified opinions on the financial statements of Augusta, Georgia as of and for the year ended December 31, 2003.

No material weaknesses were identified. No reportable conditions in internal control were identified.

One instance of noncompliance is required to be reported in accordance with Government Auditing Standards, was disclosed by the audit as audit finding 03-1.

No reportable conditions in internal control over major federal award programs were disclosed by the audit as required to be reported in accordance with OMB Circular A-133.

The auditor's report expresses an unqualified opinion on compliance for major federal award programs for Augusta, Georgia as of and for the year ended December 31, 2003.

The audit disclosed findings required to be reported in accordance with OMB Circular A-133, Section 510(a) as Finding Numbers 00-1 and 03-2.

Identification of Major Programs

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.239	<u>U.S. Department of Housing and Urban Development</u>
14.231	HOME Investment Partnerships Program
	Emergency Shelter Grant
16.592	<u>U.S. Department of Justice</u>
	Local Law Enforcement Block Grant
DTSA20-03-P-50411	<u>U.S. Department of Transportation</u>
20.106	MOA – Security Reimbursements - TSA
	Airport Improvement Program Grants

We used a threshold of \$300,000 to distinguish between Type A and Type B programs.

Augusta, Georgia is a low-risk auditee.

Schedule of Findings and Questioned Costs - Continued

Year Ended December 31, 2003

II. Findings related to Financial Statements

Finding 03-1

Budgetary compliance

Criteria

The State of Georgia local government budgets and audits code states that the legal level of control shall be, at a minimum, expenditures for each department for each fund for which a budget is prepared (Article 1 section 14).

Condition noted

We noted that several departments across the government had expenditures above appropriations for the fiscal year.

Recommendation

Augusta-Richmond County should increase the budget level of control to the department level.

III. Findings and Questioned Costs for Major Federal Award Programs Audit

Finding 00-1 (repeat finding)

U.S. Department of Justice CFDA 16.592; Local Law Enforcement Block Grant

Criteria

The Grant Award Letter Special Conditions number 8 states, "the recipient agrees to establish a trust fund in which all payment received under this program, including match, must be deposited. For purposes of this grant, a trust fund is an interest-bearing account that is specifically designated for this program..."

Condition noted

Augusta, Georgia did not establish a specifically designated trust fund for receipts under this program. Receipts were deposited in the pooled cash account of Augusta, Georgia and were initially recorded as receipts on the trial balance of another fund.

Recommendation

Augusta, Georgia should set up a separate interest-bearing account for Local Law Enforcement Block Grant receipts, transfer any unexpended grant balances to this account and notify the Department of Justice to, in the future, wire advances to this account for Local Law Enforcement Block Grant funds only.

Finding 03-2

U.S. Department of Transportation DTSA20-03-P-5041; MOU – Security Reimbursements

Criteria

OMB Circular A-87 Cost Principles for State, Local and Indian Tribal Governments Section C(1)(h), "Factors Affecting Allowability of Costs – Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period."

Schedule of Findings and Questioned Costs - Continued

Year Ended December 31, 2003

Condition noted

The City's Augusta Regional Airport at Bush Field requested security cost reimbursements for \$39,000 of known questioned costs under the DTSA20-03-P-5041 Memorandum of Understanding that had previously been reimbursed under the Airport Improvement Program grant. Controls over record keeping for the initial period of eligibility under the Memorandum of Understanding were not sufficient to ensure that funds were not previously drawn under the AIP grant.

Recommendation

The City's Augusta Regional Airport at Bush Field should develop controls over record keeping that include review and approval of reimbursement requests by both the Security Program Director and the Finance Director to assure proper administration of Federal Awards.